



**BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY**

**Course Outline**

**School of Business**

**Program: Business Administration Post-Diploma**

**FMGT 1110**

**Financial Management 1**

**Instructor**

Randy Murie

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**Hours/Week:** 4  
**Lecture:** 2  
**Lab:** 2

**Total Hours:** 60  
**Total Weeks:** 15

**Term/Level:** Post-Diploma  
**Credits:** 4

**Prerequisites**

FMGT 1110 is a Prerequisite for:

Course No.      Course Name

Course No.      Course Name  
 FMGT 2110      Financial Management 2

**Course Description**

Covers basic accounting procedures; statement and ledger organization; adjustments; closing the books; working papers; merchandise operations; accounting principles; accounting for cash, receivables, inventories and capital assets; forms of business organization.

**Course Goals**

In this course students will learn the conventional accounting system, understand accounting terminology and appreciate the uses and limitations of financial statements.

**Evaluation**

|                      |             |
|----------------------|-------------|
| Examinations (three) | 90%         |
| Assignments          | 10%         |
|                      | <u>100%</u> |

**Course Learning Outcomes**

Upon successful completion of this course, the student will be able to:

1. Analyze business transactions using the accounting equation.
2. Record transactions in a journal and post entries to a ledger.
3. Prepare and explain the use of a trial balance.
4. Explain accrual accounting and how it adds to the usefulness of financial statements.
5. Prepare adjusting entries.
6. Prepare a classified balance sheet.
7. Prepare closing entries and a post-closing trial balance.
8. Prepare a work sheet and explain its usefulness.
9. Prepare entries to record the declaration and payment of a dividend.
10. Identify steps in the accounting cycle.
11. Analyze and record transactions for merchandise purchases and sales using a perpetual system.
12. Prepare adjustments and close accounts for a merchandising company.
13. Define and prepare classified, multiple-step and single-step income statements.
14. Record and compare merchandising transactions using both periodic and perpetual inventory systems.
15. Calculate the cost of an inventory using various methods and explain the financial statement effects of choosing one method over the others.
16. Analyze the effect of inventory errors on current and future financial statements.
17. Compute the lower of cost or market value of inventory.
18. Explain why internal control procedures are needed in a large organization and state the broad principles of internal control.
19. Prepare journal entries to record petty cash fund transactions.
20. Prepare a bank reconciliation.
21. Estimate uncollectibles using methods based on sales and accounts receivable.
22. Prepare journal entries to account for temporary investments and explain how lower of cost or market is reported on such investments.
23. Calculate the cost and record the purchase of plant assets.
24. Calculate amortization by the straight-line, units-of-production and declining balance methods.
25. Account for the disposal or exchange of capital assets.
26. Explain the advantages, disadvantages and organization of corporations.
27. Record the issuance of corporate shares.
28. Explain the characteristics of common and preferred shares and distribute dividends between common and preferred shares.

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**Text(s) and Equipment**

Required:

Larson, Wild, Chiappetta, Nelson, Zin and Carroll, *Fundamental Accounting Principles*, Ninth Canadian Edition, McGraw-Hill Ryerson

Pad of 3 or 4 column accounting paper

Calculator

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**Policies and Procedures**

1. All outlines, schedules and marks allocations are subject to change at the discretion of the instructor.
  2. This Course Outline may assist you in the future to receive credit for all or part of a course from another post-secondary institution or from a professional program. It is strongly recommended that you keep this Course Outline for future reference.
  3. Acts of cheating plagiarism and dishonesty are not tolerated. The degree of punitive action may vary from a written warning to withdrawal from the program. These penalties may also be applied to students who knowingly contribute to an act of cheating, plagiarism or dishonesty. (See page 5 of the 1999-2000 BCIT Calendar.)
  4. Attendance requirements will be enforced as per the policy on page 5 of the 1999-2000 BCIT Calendar. Students who are absent for more than 10 percent of the course may not be permitted to write the final examination. Please keep the instructor informed if you are absent because of illness or for other valid reasons.
  5. I.D. Required in Examination Centres  
Effective December 2000, in order to write exams, students will be required to produce photo-identification at examination centres. Photo I.D. must be placed on the desk before an exam will be issued to the student. The I.D. must remain in view on the desk while writing the exam, for inspection by the invigilators. Students should bring a BCIT OneCard or alternatively two pieces of identification, one of which must be government photo I.D. such as a drivers license. Formal invigilation procedures are detailed in BCIT policy # 5300.
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**Course Record**

Developed by: Randy Murie  
Financial Management Department

Date: August, 2000

Approved by:   
Associate Dean, Financial Management

Date: August, 2000

## LECTURE SCHEDULE

| Dates             | Lecture Topics  | Chapter |
|-------------------|---|---------|
| Sept. 6 & 8       | Accounting in the Information Age<br>Financial Statements and Accounting Transactions | 1<br>2  |
| Sept. 13 & 15     | Analyzing and Recording Transactions  | 3       |
| Sept. 20          | Shinerama Day – no lecture  |         |
| Sept. 22 & 27     | Adjusting Accounts for Financial Statements   | 4       |
| Sept. 29 & Oct. 4 | Completing the Accounting Cycle and<br>Classifying Accounts                           | 5       |
| Oct. 6 & 11       | Accounting for Merchandising Activities   | 6       |
| Oct. 13           | Exam on Chapters 1 to 4   |         |
| Oct. 18 & 20      | Merchandise Inventories and Cost of Sales   | 7       |
| Oct. 25 & 27      | Internal Control and Cash   | 9       |
| Nov. 1            | Exam on Chapters 5 to 7   |         |
| Nov. 3 & 8        | Receivables and Temporary Investments   | 10      |
| Nov. 10 & 15      | Capital Assets: Plant and Equipment, Natural Resources<br>and Intangible Assets       | 12      |
| Nov. 17 & 22      | Corporations  | 15      |
| Nov. 24           | Work on Chapter 15 assignment   |         |
| Dec. 1            | Exam on Chapters 9, 10, 12 & 15   |         |

## ASSIGNMENT SCHEDULE

Assignments are to be handed in at the beginning of the lecture.  
Exercises and Problems should be answered on columnar accounting paper  
or using appropriate computer software.

| Due Date     | Assignment   |
|--------------|--|
| September 13 | Exercise 2-5, Problem 2-2  |
| September 22 | A & R Problem 2-2, Exercise 3-1<br>Deliver assignments to my office (SE6 322) before 9:00 a.m. |
| September 27 | Exercise 3-13, Problem 3-3   |
| October 4    | Problem 4-2, A & R Problem 4-2<br>Answer sheets will be provided for Problem 4-2. Omit part 5. |
| October 18   | Problem 5-5.<br>Columnar paper will be provided.   |
| October 25   | Problems 6-1 & 6-3 (part 3 only)   |
| November 1   | Exercises 7-3 & 7-8, A & R Problem 7-1   |
| November 8   | Problems 9-2 & 9-4   |
| November 15  | Exercises 10-1 & 10-2, Problem 10-3  |
| November 22  | Problems 12-2 & 12-5   |
| November 29  | Problems 15-2 & 15-4   |